

WSSC PROPOSED: FORECAST FOR WATER & SEWER OPERATING FUNDS

	FY05	FY06	FY06	FY07	FY08	FY09	FY10	FY11
FISCAL PROJECTIONS	EST.	REQ.	RECOM'D	EST.	EST.	EST.	EST.	EST.
ASSUMPTIONS (\$000)								
New Water/Sewer Debt	\$111.5	\$136.1	\$144.0	\$163.3	\$181.7	\$122.4	\$95.4	\$65.7
Total Water/Sewer Operating Expenses	\$377.7	\$416.3	\$416.9	\$416.2	\$425.0	\$439.3	\$448.4	\$446.3
Debt Service	\$132.0	\$150.0	\$150.5	\$159.8	\$167.5	\$175.1	\$178.5	\$168.0
Total Water/Sewer Bill Increase	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
BEGINNING FUND BALANCE	76,293	81,170	81,170	65,424	60,517	59,423	55,784	54,876
REVENUES								
Water & Sewer Rate Revenue	329,614	339,878	339,878	350,204	361,070	372,279	383,808	395,698
Interest Income	2,100	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Account Maintenance Fee (Service Chg)	21,800	22,100	22,100	22,400	22,700	23,000	23,300	23,600
Miscellaneous	21,560	24,720	24,720	22,860	24,460	24,760	25,060	25,360
Total Revenues	375,074	390,198	390,198	398,964	411,730	423,539	435,668	448,158
SDC Debt Service Offset	3,002	2,905	2,905	2,809	2,710	2,611	2,512	2,413
Reconstruction Debt Service Offset	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Use of Prior Year Net Revenue	8,500	16,712	17,246	6,407	2,594	5,139	2,408	1,650
Less Rate Stabilization	(5,024)	(1,482)	(1,482)	0	0	0	(150)	(13,914)
TOTAL FUNDS AVAILABLE	389,552	416,333	416,867	416,180	425,034	439,289	448,438	446,307
EXPENDITURES								
Salaries and Wages	74,719	78,231	78,231	80,089	82,243	84,451	86,714	89,033
Heat, Light, and Power	14,542	16,677	16,677	16,170	16,197	16,625	17,271	18,345
Regional Sewage Disposal	35,010	36,060	36,060	37,142	38,256	39,404	40,586	41,804
Debt Service	132,000	149,968	150,502	159,805	167,505	175,122	178,525	167,994
Debt Reduction (PAYGO)	7,000	13,024	13,024	1,482	0	0	0	150
All Other	112,904	120,873	120,873	126,548	121,991	126,262	123,842	127,481
TOTAL USE OF RESOURCES	377,675	416,333	416,867	416,180	425,034	439,289	448,438	446,307
REVENUE/EXPENDITURE SURPLUS/(GAP)	11,877	0	0	0	0	0	0	0
YEAR END FUND BALANCE w/o additional \$1.5 m reserve	79,670	64,458	63,924	59,017	57,923	54,284	53,376	53,226
Additional \$1.5 million Reserve Annual Contribution	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
TOTAL YEAR END FUND BALANCE	81,170	65,958	65,424	60,517	59,423	55,784	54,876	54,726
Debt Service as a Percent of Budget	35.0%	36.0%	36.1%	38.4%	39.4%	39.9%	39.8%	37.6%
Estimated Water Production (MGD)	167.0	167.5	167.5	168.0	168.5	169.0	169.5	170.0
5% Reserve (water and sewer revenue)	16,481	16,994	16,994	17,510	18,054	18,614	19,190	19,785

Assumptions:

1. FY07-11 reflects WSSC's multi-year forecast and assumptions which are not adjusted to conform with the County Executive's Recommended CIP for WSSC. The projected future expenditures, revenues, and fund balances may be based on changes to rates, fees, usage, inflation, future labor agreements, and other factors not assumed here.
2. The County Executive's operating budget recommendation is for FY06 only and includes the revenue and resource assumptions of that budget.
3. Rate stabilization costs are those costs projected to meet the estimated rate increases.